THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Government on July 20, 2006 has decided to set up the next Central Pay Commission. A notification for setting up of the Sixth Central Pay Commission is to be made shortly.

(b) Ministry of Finance has been attending to various proposals received from Ministries/Departments for rectification of anomalies raised by the affected employees.

(c) The information is being collected and will be placed on the Table of the House.

Rationalisation of duty structure on drugs in Gujarat

772. SHRI PRAVEEN RASHTRAPAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of negative impact on Gujarat pharmaceuticals industry due to incentives given to other States;

(b) whether there is any request from the State Government of Gujarat for rationalisation of rates and duty structure on drugs and pharma products; and

(c) what action is being taken to assist industry in Gujarat State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Government has given fiscal incentives to special category states to encourage industrial development of certain area. It is not possible to comment on whether such incentives have adversely affected the pharmaceutical industries of Gujarat.

(b) The Government had received a reference from Chief Minister of Gujarat requesting (i) to increase the abatement from retail price from 40% to 50% and (ii) to reduce excise duty on medicines from 16% to 8%

(c) The representation was examined and it was decided not to make any change in the excise duty structure on drugs.